

MEETING OF
THE DELAWARE AGRICULTURAL LANDS PRESERVATION FOUNDATION

A meeting of the Delaware Agricultural Lands Preservation Foundation was held at the Delaware Department of Agriculture, 2320 S. DuPont Hwy. Dover, Delaware, July 18, 2012, with the following members in attendance:

Robert F. Garey, Chairman
William Vanderwende, Vice Chairman
William H. "Chip" Narvel, Jr., Secretary
Robert Emerson

Ed Kee, Secretary of Agriculture
Barbara Bennett representing Chip Flowers, Jr., State Treasurer
Henry Poole representing Steve Ditmer, Forestry Council
Theodore P. Bobola, Jr.

Absent: L. Allen Messick, Jr., and Kevin Coyle.

The following staff members were in attendance: Austin Short, Deputy Secretary of Agriculture, and Chief of Planning, Howard Mesick, Scott Blaier, Cathy Mesick, Milton Melendez, Kathi Spangler, and Robin West.

Others in attendance: F. Michael Parkowski, Esq.

Chairman Garey opened the meeting at 8:30 a.m.

I. Current Situation Report:

Robin West informed the Board that we have a total of 1,116 farms in preservation districts totaling 157,693 acres, with a total of 691 farms under agricultural easements totaling 105,135 acres at a cost of \$187,671,752. For PDR 17, there are a total of 30 new farms, comprising 1,438 acres, with a value of \$8,820,540 and 107 previously enrolled farms, comprising 11,895 acres, with a value of \$45,252,470. For the Forestland Preservation Program there are 37 Forestland Preservation Areas comprising 2,711 acres. For the Forestland Preservation Area Easements, there are a total of 9 properties, comprising 872 acres, with a value of \$1,450,804. For the Young Farmers Program there are a total of 10 Young Farmers program loans going through the settlement process, with an easement value of \$3,878,524. Thirty-two prequalification applications have been received so far with only one being unapproved.

II. Monitoring Report:

Milton Melendez informed the Board that 380 out of 664 parcels have been looked at. A total of 927 parcels (Federal and non-federal) need to be looked at by the end of this year.

III. Young Farmers Report – Austin Short informed the Board that we have \$3M for the young Farmers program and considering the second round of selections for Young Farmers loans the suggested time schedule is August first to the end of October, 2012. Any money left over from the second round could be moved into the Farmland Preservation program. Currently, we have \$339,257.90 left over from the first Young Farmers loan selection process which will be placed in the funding for the 2nd loan selection. Mr. Short requested approval for the schedule of August-October for the 2nd round of Young Farmer loan selections. After discussion, the Board indicated that they approved of the time schedule for the 2nd loan selection process and agreed with Mr. Short on the use of any leftover funds from the Young Farmer program. Letters will be sent to those who have sent in prequalification forms letting them know of the schedule for the second round of loan selections.

IV. Forestland Preservation Area Eligibility & Final Approval:

1. Moore Family Farm Forestland Preservation Area, ID#F-S-11-12-052K-053. Presentation was made by Mr. Henry Poole of the Delaware Department of Agriculture's Forestry Section. After discussion, **Ed Kee moved to accept for eligibility and final approval the Moore Family Farm Forestland Preservation Area, seconded by Chip Narvel. Motion unanimously approved.**

V. Expansion Eligibility & Final Approval (Contingent Sale):

1. Phillips Expansion of the Collins District, ID#S-12-06-021G. After discussion, **William Vanderwende moved to accept for final approval the Phillips Expansion of the Collins District contingent upon sale, seconded by Robert Emerson. Motion unanimously approved.**

VI. Expansion Eligibility & Final Approval:

1. Dorothy A Baker Expansion of the Robert A. Short District, ID#S-12-02-019A. After discussion, **Chip Narvel, Jr. moved to accept for eligibility/final approval the Dorothy A. Baker Expansion of the Robert A. Short District, seconded by Ed Kee. Motion unanimously approved.**
2. Taylor Expansion of the Hanson Agricultural Lands District, ID#K-12-05-044 R. After discussion, **Theodore P. Bobola, Jr. moved to accept for eligibility/final approval the Taylor Expansion of the Hanson Agricultural Lands District, seconded by Barbara Bennett. Motion unanimously approved.**
3. W & W Mast Expansion of the William E. & Martha A. Matlack District, ID#K-11-11-068A. After discussion, **Chip Narvel, Jr. moved to accept for eligibility/final approval the W & W Mast Expansion of the William E. & Martha A. Matlack District, seconded by Barbara Bennett. Motion unanimously approved.**
4. Abbott Expansion of the Mitchell-Quillen District, ID#K-11-12-088H. Mr. Milton Melendez informed the Board that he just received a phone call today, before the meeting, from Mrs. Diane Abbott, asking that the property not go through the process of being placed in the farmland preservation program.
5. Bakers Acres Expansion of the Isaacs Farms Emerson District #1, ID#K-11-12-109G. After discussion, **William Vanderwende moved to accept for eligibility/final approval the Bakers Acres Expansion of the Isaacs Farms Emerson District #1, seconded by Theodore P. Bobola, Jr. Motion unanimously approved.**
6. New Horizon Expansion of the Woikoski Farms District, ID#K-11-12-092H. After discussion, **Ed Kee moved to accept for eligibility/final approval the New Horizon Expansion of the Woikoski Farms District, seconded by Theodore P. Bobola, Jr. Motion unanimously approved.**

Discussion followed concerning the phone call of Mrs. Diane Abbott and the Abbott Expansion of the Mitchell-Quillen District. The Foundation staff has been working with Mrs. Abbott for a number of years on getting the property into the preservation program and has incurred some expenses doing so. Mr. Parkowski suggested that a letter be drafted by the staff informing her that if she wishes to continue the process of placing this property into the farmland preservation program in the future, she must get an attorney to represent her. The Foundation will no longer deal with Mrs. Abbott directly, but only with her attorney.

VII. Secretary of Agriculture's Veto – Secretary of Agriculture Ed Kee waived the right of veto for the above Forestland Preservation Area and Expansions.

VIII. Public Comments – There were no public comments.

IX. Minutes:

Chairman Garey asked if there were any comments or changes to the May 16, 2012 minutes. Hearing no changes, the Chairman asked for a motion to approve the minutes. **William Vanderwende moved to approve the May minutes, seconded by Ed Kee. Motion unanimously approved.**

X. Financial Highlights:

Howard Mesick presented the Financial Statements for the months of May 31, 2012 and June 30, 2012, informing the Foundation Board that we had, as of May 31, 2012, \$27,391.36 in the Foundation's interest bearing State of Delaware account. We received \$34.97 interest income, Rollback taxes from Kent and Sussex Counties in the amount of \$110.43, and \$560.00 license plate income. Expenditures for the month of May totaled \$42,626.00. After discussion, **Chip Narvel, Jr. moved to accept the May financial statement as presented, seconded by Robert Emerson. Motion unanimously approved.** Howard Mesick next informed the Foundation Board as of June 30, 2012 we had in the Foundation's interest bearing State of Delaware account \$20,854.66. We received \$13.92 interest income, Rollback taxes from all three counties in the amount of \$13,599.34 (New Castle County's Rollback tax amount is shown as a receivable), and \$455.00 license plate income. **Chip Narvel, Jr. moved to**

accept the June financial statement as presented, seconded by Theodore P. Bobola, Jr. Motion unanimously approved.

Howard Mesick informed the Board that there will be no audit presentation at today's Foundation meeting. We are still waiting for the Auditor's Office to give the approval for the presentation.

Howard Mesick and Austin Short presented the proposed Foundation Budget for this fiscal year. After questions and discussion, **William Vanderwende moved to approve the proposed budget, seconded by Robert Emerson. Motion unanimously approved.**

Austin Short informed the Board that we should consider moving the Foundation's \$501,000 of administrative funding to the General Fund in the next fiscal year. Questions followed. Michael Parkowski stated that we should consider only moving the salary line as the other items would be subject to questions and possibly cuts in funding. Also, if administrative funding other than the salary line were placed in the General Fund any leftover money would revert to the General Fund and not to the Farmland Preservation line.

Secretary Kee mentioned that Representative William J. Carson has legislation in the process to give landowners a break on the capital gains tax in Delaware. Secretary Kee thanked Chairman Garey for appearing on behalf of this legislation and, hopefully, it will be passed this fiscal year.

- XI. Executive Session – Michael Parkowski indicated there was a need for an executive session to discuss the Wilson farm. **Ed Kee moved to go into Executive Session, seconded by Robert Emerson. Motion unanimously approved.** Executive Session started 9:30 a.m.

Executive Session ended 9:59 a.m. **Ed Kee moved to go out of Executive Session, seconded by Chip Narvel, Jr. Motion unanimously approved.**

- XII. Other Business:

1. Wilson Farm

Mr. Parkowski mentioned several ways to consider the proposal of the Magee family concerning the corn maze and their request for a five year extension of their lease if they put in pivot irrigation. Discussion followed. It was decided by the Board that the staff prepare a response to Mrs. Ellen Magee for Mike Parkowski's review. Items to be considered: rent to be escalated by a percentage rate, extension of lease contingent upon installation of irrigation, well and underground pipe would remain on property, review of formal application for corn maze. Will keep this on the August agenda for possible decision by the Board.

2. LESA Model

Mr. Scott Blaier presented the new LESA Model to the Board, explaining the LE and SA component. The new model utilizes the latest soils and all layers are now updated. Questions and discussion followed. The Board agreed with the changes made to the LESA Model.

3. FY'12 FRPP Cooperative Agreement

Austin Short requested formal approval of the Board for the extension of the FRPP Cooperative Agreement with the new funding. Discussion followed concerning the \$4,672,285.00 Federal funding. After discussion, **William Vanderwende moved to approve the extension of the FRPP Cooperative Agreement with the \$4,672,285.00 new funding, seconded by Theodore P. Bobola, Jr. Motion unanimously approved.**

XIII. Adjournment

As there was no further business to come before the Foundation the meeting adjourned at 10:11 a.m. The next meeting of the Foundation will be held on August 15, 2012 at the Delaware Department of Agriculture beginning at 8:30 a.m.

Respectfully submitted,

Robert F. Garey
Chairman